

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: February 6, 1996

SUBJECT: **HB 2282 - SB 2557**

This bill, if enacted, will impose a new privilege tax of 20% upon the unlawful sale, use, consumption, distribution, manufacture, derivation, production, transportation, or storage of controlled substances. The tax is based on the estimated retail price of the controlled substance.

The fiscal impact from enactment of this bill is estimated to be an increase in state revenues. Such increase cannot be determined but can be estimated to exceed \$200,000 annually.

The fiscal impact from enactment of this bill is also estimated to be one-time and recurring increases in state expenditures of:

- 1) Approximately \$74,800 for the Department of Revenue computer systems modifications and one-time personnel expenses, and
- 2) Approximately \$123,300 for four new tax auditor positions with associated expenses for the administration of the tax.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director